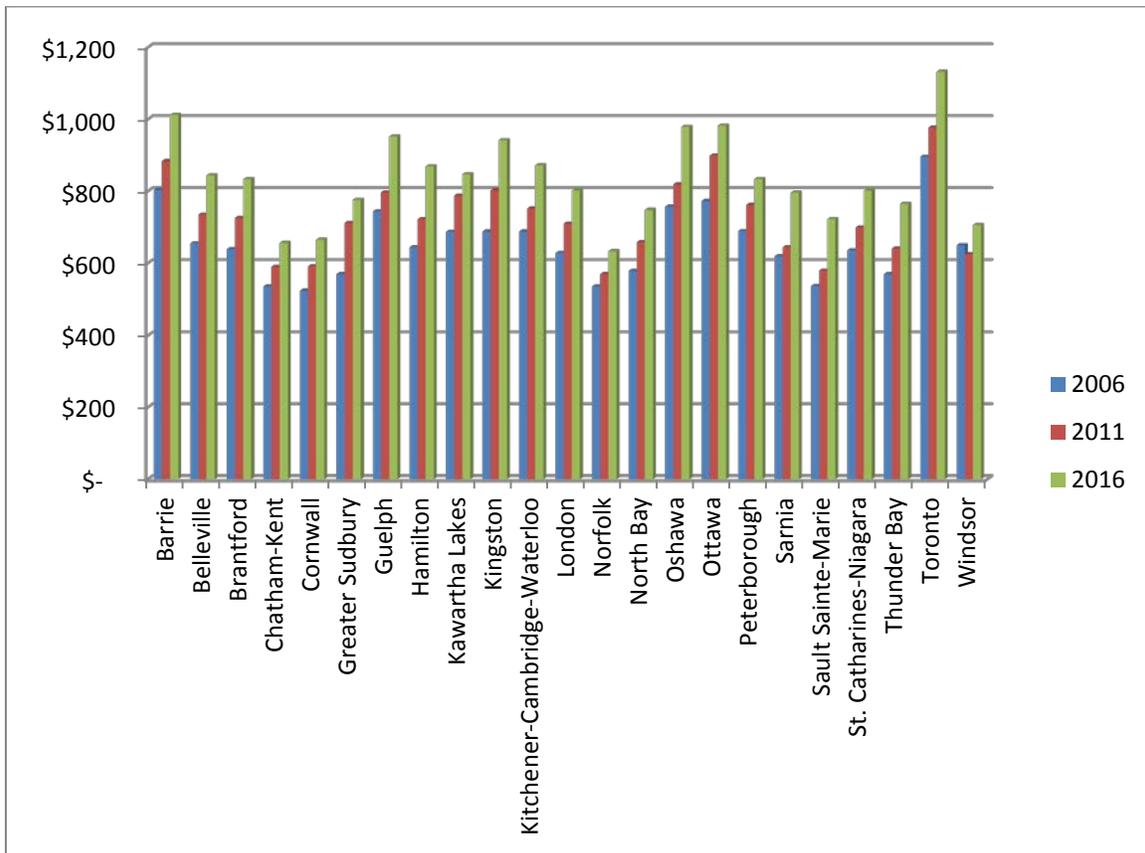


Fact Sheet | Housing Affordability Crisis in Ontario

Residents in communities across Ontario are facing unaffordable rents. As shown in Figure 1, rents have increased steadily across Ontario for the past decade.

- ❖ The average rent in Ontario for a one-bedroom apartment was \$994.
 - The hourly wage needed for this rent to be affordable would be \$19.
- ❖ The average rent in Toronto for a one-bedroom apartment was \$1,132 in 2016.
 - The hourly wage needed for this rent to be affordable (30% of income or less) would be \$21.77.
- ❖ Those working on minimum wage are especially impacted by the rising cost of rental housing in Ontario.
 - Minimum wage in Ontario is \$11.40 per hour and will increase to \$11.60 on October 2017; minimum wage will progressively increase to \$15 per hour by January 2019 as part of a new package of reforms announced in May 2017.
 - Even after an increase in minimum wage, housing will remain unaffordable for those making less than \$19 an hour.
- ❖ An increase in jobs that pay a living wage, greater supports for the increasing number of workers in part-time and precarious jobs, an increase to OW and ODSP rates, and exploring policy options such as the basic income pilot are all needed to ensure Ontario renters can afford an adequate home.

Figure 1: Average rent for one-bedroom apartment in Ontario

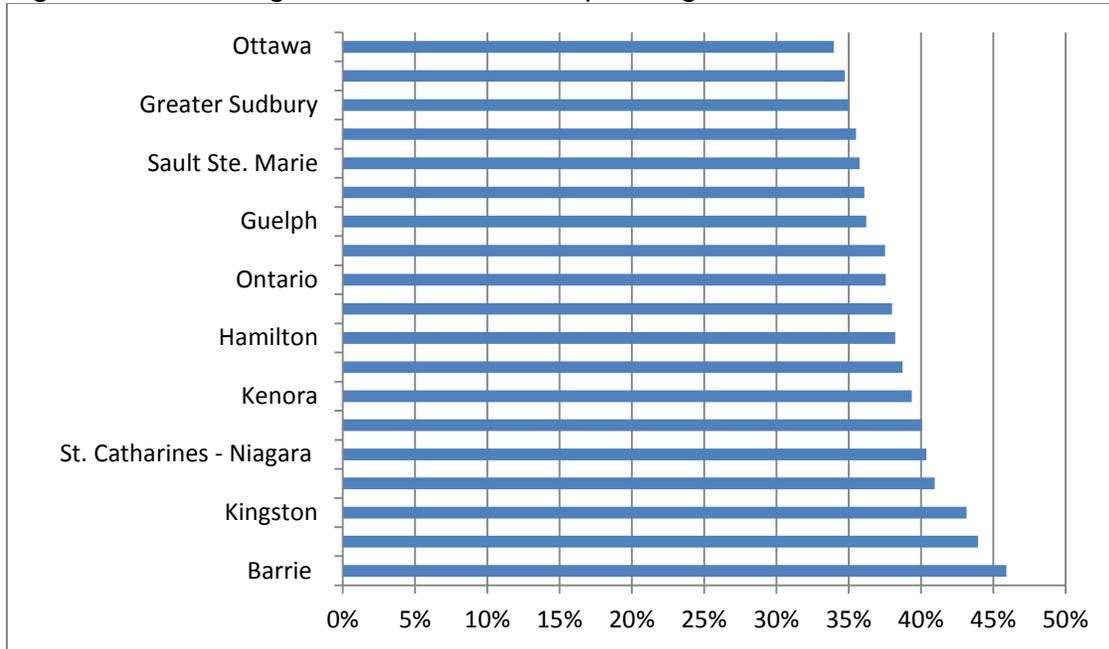


Source: CMHC Housing Market Information Portal- Ontario Average Rent by Bedroom Type by Metropolitan Areas, Census Agglomerations and Cities

Many tenant households in Ontario spend over 30% of their income on rent.

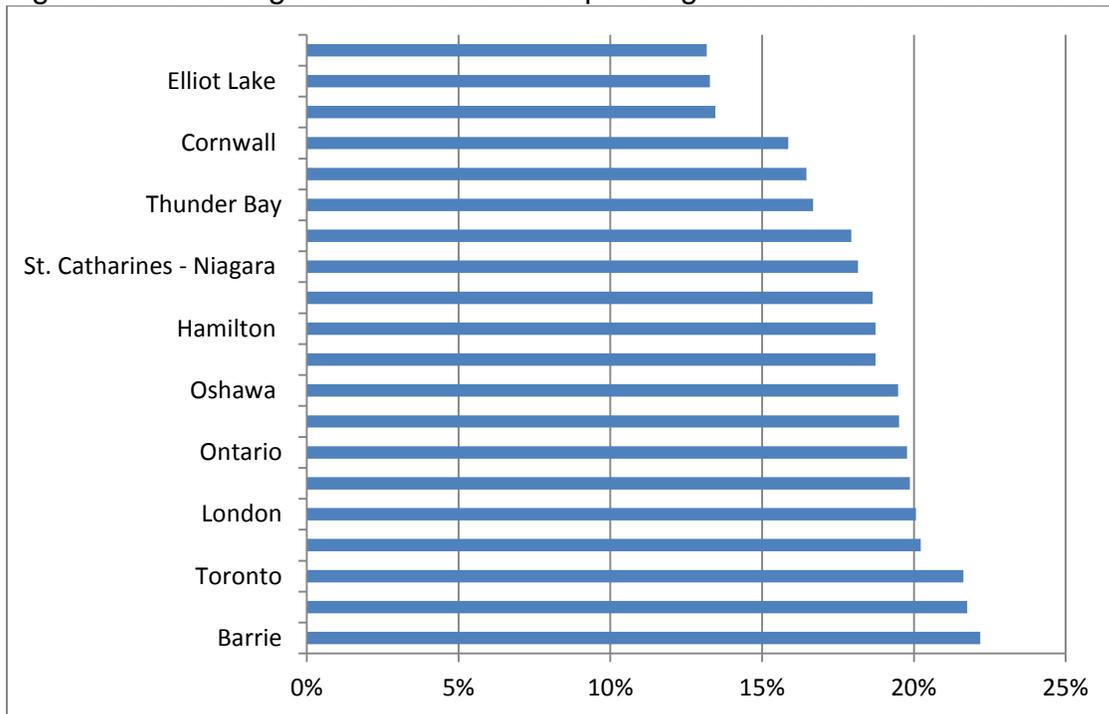
- ❖ Almost 40% of tenant households in Ontario spend over 30% of their income on rent, considered below the standard of affordability and detracting from their ability to spend productively on other necessities.
- ❖ While there are variations between municipalities, consistently over 30% of renter households face unaffordable rents.
- ❖ Households that spend over half their income on rent are considered to be in deep core housing need and vulnerable to homelessness.
 - Over 20% of renter households in Toronto, Kingston, and Barrie spend over half their income in rent.

Figure 2: Percentage of Ontario renters spending over 30% of income on rent



Source: Statistics Canada , NHS Data Tables, 99-014-X2011031

Figure 3: Percentage of Ontario renters spending over 50% of income on rent

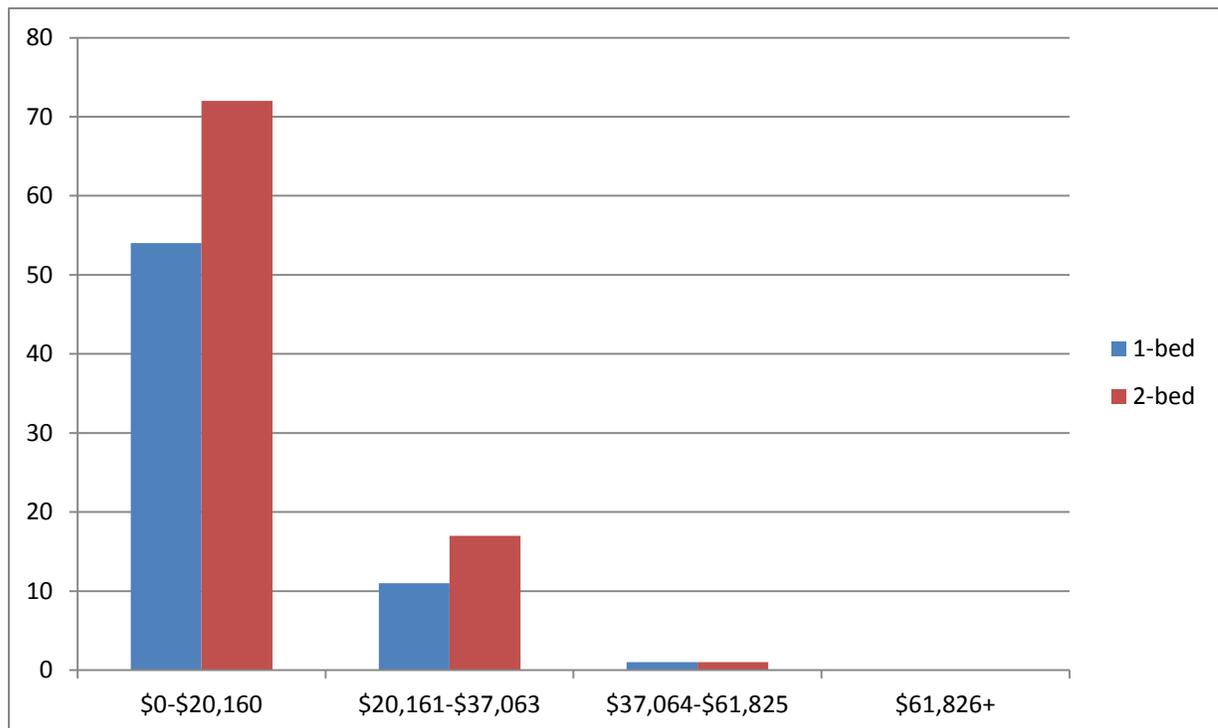


Source: Statistics Canada, NHS Data Tables, 99-014-X2011031

A vast majority of lower income households are spending over 50% of their income on housing.

- ❖ As seen in Figure 4, over 70% of renter households in Ontario in the lowest income quarter (earning less than \$20,160) that are living in two-bedroom units are spending over half of their income on rent plus utilities.
- ❖ In the city of Toronto, 78% of renter households in the lowest income quarter that are living in two-bedroom units are spending most of their income on rent plus utilities.

Figure 4: Income distribution and percentage of households in deep core housing need in Ontario



Source: <http://rentalhousingindex.ca/#>

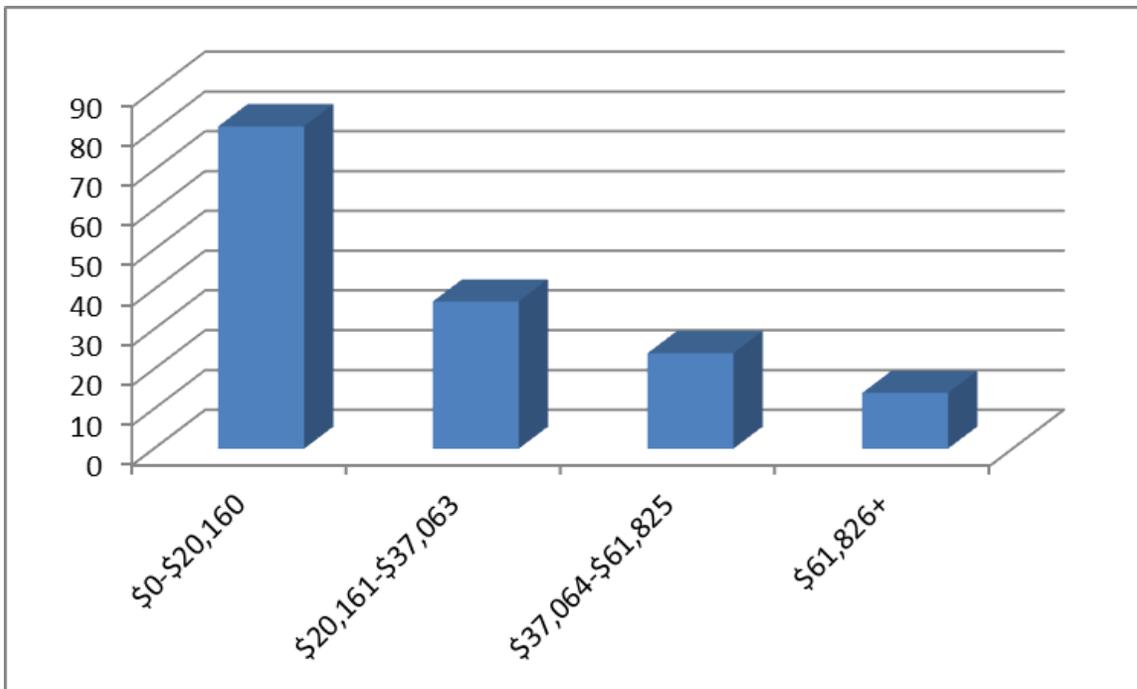
In Ontario, renter households in the lowest income quarter (earning less than \$20,160) that are living in two-bedroom units pay an average of 81% of their income each month on rent plus utilities.

- ❖ These households would need to earn an average of \$20,585 more annually to make their rent affordable.

In the city of Toronto, renter households in the lowest income quarter (earning less than \$20,654) that are living in two-bedroom units pay an average of 99% of their income each month on rent plus utilities.

- ❖ These households would need to earn an average of \$26,850 more annually to make their rent affordable.

Figure 5: Percentage of income spent on rent for two-bedroom units in Ontario



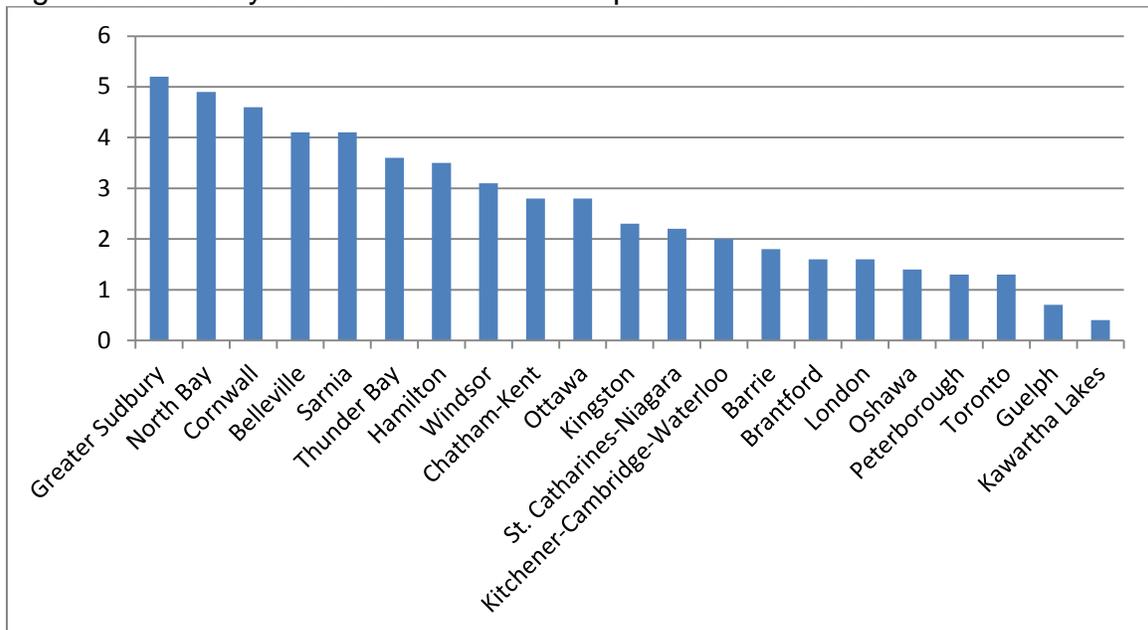
Source: <http://rentalhousingindex.ca/#>

Experts consider a vacancy rate between 3-5% the minimum necessary for a healthy rental market.

- ❖ As seen in Figure 6, the majority of Ontario urban centres have vacancy rates below this number, which indicates a lack of choice for renter households and puts pressure on rent costs due to limited supply.
- ❖ Vacancy rates have decreased over the past decade, particularly in the Toronto metropolitan region, where almost half of tenant households in Ontario live.
 - Vacancy rate for one-bedroom apartments in Toronto decreased from 3.5% in 2006 to 1.3% in 2016, well below a healthy vacancy rate.
 - A 1.3% vacancy rate means that for every 1000 rental units in the City of Toronto, only 13 units are vacant and available to be rented.

Increasing the supply of affordable rental housing through fiscal and land use policies (e.g. inclusionary zoning) should be a priority for the provincial and municipal governments

Figure 6: Vacancy rates for one-bedroom apartments in 2016



Source: CMHC Housing Market Information Portal Ontario — Vacancy Rates by Bedroom Type by Metropolitan Areas, Census Agglomerations and Cities